

## **Program B: Payments to Public Providers**

Program Authorization: The Constitution of Louisiana (1974) Article 12, Section 8, declares that the Legislature may establish a system of economic and social welfare, unemployment compensation, and public health. Louisiana Revised Statutes 36:251 et seq., gives the Louisiana Department of Health and Hospitals (DHH) Secretary authority to direct and be responsible for the Medical Assistance Program, Title XIX of the Social Security Act, and the authority to act as the sole agent of the state or, in necessary cases, designate one of the offices within the department or its assistant secretary to cooperate with the federal government and with other state and local agencies in the administration of federal funds granted to the state or directly to the department or an office thereof to aid in the furtherance of any function of the department or its offices, including funding for the Medical Assistance Program, Title XIX of the Social Security Act. The Balanced Budget Act of 1997 (BBA) Public Law 105-33), as amended by recent technical amendments (Public Law 105-100, signed into law on November 19, 1997).

### **Program Description**

The mission of the Payments to Public Providers Program is to provide payments to public providers of health care services to Louisiana residents who are eligible for Title XIX (Medicaid) and to administer the Medicaid Program to ensure operations are in accordance with federal and state statutes regarding medically necessary services to eligible recipients. Additionally, the Medical Vendor Payments Program assures that reimbursements to providers of medical services to Medicaid recipients are appropriate.

The goal of the Payments to Public Providers Program is to screen children for medical, vision, hearing and dental abnormalities.

The Payments to Public Providers Program provides for direct payments to the following: Louisiana Health Care Authority, LSU Medical Center, State MR/DD Services, State Long Term Care Facilities, Office of Public Health, Office of Substance Abuse, Community Mental Health, Public Psychiatric Free Standing Units, Public Psychiatric Distinct Part Units, State Education, and other public providers.

The Payments to Public Providers Program administers the KIDMED program. KIDMED is Louisiana's name for the federally mandated service that must be offered to economically disadvantaged children under the State's Early Periodic Screening, Diagnosis, and Treatment (EPSDT) program. Federal legislation established EPSDT as a Medicaid service in 1967. Louisiana began providing EPSDT when it became a mandatory service in 1972. In 1990, Louisiana renamed the screening component of its EPSDT program to KIDMED.

## RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 2000-2001	ACT 12 2001-2002	EXISTING 2001-2002	CONTINUATION 2002-2003	RECOMMENDED 2002-2003	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$101,690,741	\$108,150,044	\$103,431,637	\$112,341,297	\$105,622,677	\$2,191,040
STATE GENERAL FUND BY:						
Interagency Transfers	684,867	341,980	341,980	341,980	1,836,802	1,494,822
Fees & Self-gen. Revenues	0	0	0	0	0	0
Statutory Dedications	8,497,436	7,756,699	12,475,106	8,610,130	8,609,835	(3,865,271)
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	272,374,860	275,953,443	275,953,443	288,327,525	284,630,790	8,677,347
TOTAL MEANS OF FINANCING	<b>\$383,247,904</b>	<b>\$392,202,166</b>	<b>\$392,202,166</b>	<b>\$409,620,932</b>	<b>\$400,700,104</b>	<b>\$8,497,938</b>
EXPENDITURES & REQUEST:						
Salaries	\$0	\$0	\$0	\$0	\$0	\$0
Other Compensation	0	0	0	0	0	0
Related Benefits	0	0	0	0	0	0
Total Operating Expenses	0	0	0	0	0	0
Professional Services	0	0	0	0	0	0
Total Other Charges	383,247,904	392,202,166	392,202,166	409,620,932	400,700,104	8,497,938
Total Acq. & Major Repairs	0	0	0	0	0	0
TOTAL EXPENDITURES AND REQUEST	<b>\$383,247,904</b>	<b>\$392,202,166</b>	<b>\$392,202,166</b>	<b>\$409,620,932</b>	<b>\$400,700,104</b>	<b>\$8,497,938</b>
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	0	0	0	0	0	0
Unclassified	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## SOURCE OF FUNDING

The Payments to Public Providers program is funded with State General Fund, Interagency Transfers, Statutory Dedications, and Federal Funds. The Interagency Transfers are derived from the Department of Education for match with Federal Funds for the CHILDNET program for special education and rehabilitative services for children under the age of three (3). The Statutory Dedications are derived from the Louisiana Medical Assistance Trust Fund (R.S. 39:98.6) from provider fees from varying medical providers in the state based on corresponding per bed per day rates and the Deficit Elimination Fund. Federal Funds represent federal financial participation in the Medicaid program.

	ACTUAL	ACT 12	EXISTING	CONTINUATION	RECOMMENDED	RECOMMENDED OVER/(UNDER)
	2000-2001	2001-2002	2001-2002	2002-2003	2002-2003	EXISTING
Louisiana Medical Assistance Trust Fund	\$8,497,436	\$7,756,699	\$12,475,106	\$7,756,699	\$7,756,699	(\$4,718,407)
Deficit Elimination Fund	\$0	\$0	\$0	\$853,431	\$853,136	\$853,136

## MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$108,150,044	\$392,202,166	0	ACT 12 FISCAL YEAR 2001-2002
			<b>BA-7 TRANSACTIONS:</b>
(\$4,718,407)	\$0	0	Decrease in State General Fund and increase Statutory Dedications for transfer of State General Fund to the Office of Public Health for bio-terrorism costs
\$103,431,637	\$392,202,166	0	EXISTING OPERATING BUDGET - December 20, 2001
\$0	\$5,161,677	0	Other Annualizations - Funding of the Civil Service pay increase for certain classes in State facilities
(\$55,836)	(\$188,380)	0	Other Non-Recurring Adjustments - Medicaid payments to Peltier-Lawless Developmental Center for contracts with the Lafourche Association for Retarded Citizens
\$167,600	\$3,524,641	0	Other Adjustments - Match rate funding to balance budgeted expenditures for Public Providers
\$4,718,407	\$0	0	Net Means Of Financing Substitutions - Increase State General Fund and decrease Statutory Dedications (Louisiana Medical Assistance Trust Fund) excess utilized in FY02 for the bio-terrorism costs
(\$2,639,131)	\$0	0	Net Means Of Financing Substitutions - Decrease in State General Fund and a corresponding increase in Federal Funds for the match rate change from 29.64% to 28.96% in state participation and from 70.36% to 71.04% for federal participation
\$105,622,677	\$400,700,104	0	TOTAL RECOMMENDED
(\$48,266,285)	(\$183,107,507)	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$57,356,392	\$217,592,597	0	BASE EXECUTIVE BUDGET FISCAL YEAR 2002-2003

## MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE SUSPENSION OF EXEMPTIONS TO THE 3% SALES TAX BASE:
\$43,191,718	\$163,856,154	0	This supplementary recommendation represents 40.9% of the State General Fund recommendation (\$105.6 million) and 40.9% of the total budget recommendation (\$400.7 million) for this program.
<b>\$43,191,718</b>	<b>\$163,856,154</b>	<b>0</b>	<b>TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE SUSPENSION OF EXEMPTIONS TO THE 3% SALES TAX BASE</b>
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE SUSPENSION OF EXEMPTIONS TO THE 1% SALES TAX BASE:
\$1,279,592	\$4,854,379	0	This supplementary recommendation represents 1.2% of the State General Fund recommendation (\$105.6 million) and 1.2% of the total budget recommendation (\$400.7 million) for this program.
<b>\$1,279,592</b>	<b>\$4,854,379</b>	<b>0</b>	<b>TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE SUSPENSION OF EXEMPTIONS TO THE 1% SALES TAX BASE</b>
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE 4¢ PER CIGARETTE PACK TOBACCO TAX RATE:
\$1,520,345	\$5,767,725	0	This supplementary recommendation represents 1.4% of the State General Fund recommendation (\$105.6 million) and 1.4% of the total budget recommendation (\$400.7 million) for this program.
<b>\$1,520,345</b>	<b>\$5,767,725</b>	<b>0</b>	<b>TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE 4¢ PER CIGARETTE PACK TOBACCO TAX RATE</b>

## MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE INDIVIDUAL INCOME TAX LIMITATION ON EXCESS ITEMIZED DEDUCTIONS:
\$1,775,088	\$6,734,140	0	This supplementary recommendation represents 1.7% of the State General Fund recommendation (\$105.6 million) and 1.7% of the total budget recommendation (\$400.7 million) for this program.
<b>\$1,775,088</b>	<b>\$6,734,140</b>	<b>0</b>	<b>TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE INDIVIDUAL INCOME TAX LIMITATION ON EXCESS ITEMIZED DEDUCTIONS</b>
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE AUTOMOBILE RENTAL
\$499,542	\$1,895,109	0	This supplementary recommendation represents 0.5% of the State General Fund recommendation (\$105.6 million) and 0.5% of the total budget recommendation (\$400.7 million) for this program.
<b>\$499,542</b>	<b>\$1,895,109</b>	<b>0</b>	<b>TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE AUTOMOBILE RENTAL EXCISE TAX</b>
<b>\$105,622,677</b>	<b>\$400,700,104</b>	<b>0</b>	<b>GRAND TOTAL RECOMMENDED</b>

## **PROFESSIONAL SERVICES**

This program does not have funding for Professional Services for Fiscal Year 2002-2003.

**OTHER CHARGES**

\$101,773,771	LSU Health Sciences Center - Health Care Services Division - Title XIX claims
\$7,750,390	LSU Health Sciences Center - Health Care Services Division - Claims for the distinct part acute psychiatric units

<b>\$109,524,161</b>	<b>SUB-TOTAL OTHER CHARGES</b>
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**Interagency Transfers:**

Interagency Transfers for the reimbursement to following public providers for the provision of medical services to patients who are uninsured and ineligible for the State's Medicaid program:

\$664,591	Capital Area Human Services District
\$85,000	Louisiana School for the Deaf
\$5,821,007	Louisiana Special Education Center
\$6,586,273	Local education agencies
\$56,905,816	LSU Health Sciences Center - Shreveport
\$5,291,726	New Orleans Home and Rehabilitation Center
\$162,707,356	Office for Citizens with Developmental Disabilities
\$11,045,362	Office of Mental Health for Community Mental Health Services
\$9,068,013	Office of Mental Health for Distinct Part Units
\$15,831,876	Office of Public Health
\$1,006,710	Other Varying Public Agencies
\$3,290,608	Special School District #1
\$12,871,605	Villa Feliciana Medical Complex

<b>\$291,175,943</b>	<b>SUB-TOTAL INTERAGENCY TRANSFERS</b>
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<b>\$400,700,104</b>	<b>TOTAL OTHER CHARGES</b>
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## **ACQUISITIONS AND MAJOR REPAIRS**

This program does not have funding for Acquisitions and Major Repairs for Fiscal Year 2002-2003.